

**Milwaukee County Employees' Retirement System (ERS)**

**Investment Committee Meeting**

**MINUTES**

**Members:** Sarah Peck                      Dean Roepke  
                    Linda Bedford                      Jeffrey Mawicke  
                    John Maier

**1. Call to Order:**

Chairman Sarah Peck called the meeting to order at 1:35 PM, on 10-6-08, in the Labor Relations Conference Room (210-Q), of the Milwaukee County Courthouse, 901 N. 9<sup>th</sup> St., Milwaukee, WI. 53233.

**2. Roll Call:**

<b><u>Members Present:</u></b>	<b><u>Members Excused:</u></b>	<b><u>Others Present</u></b>
Sarah Peck	Linda Bedford	Gerry Schroeder
Dean Roepke	Jeffrey Mawicke	Mark Grady
John Maier		David Arena
		Kristin Finney-Cooke

**3. Topic: Mercer-Current State of Financial Markets**

A general overview was provided on the current status of the financial market. It appears that the market is down 500 points. The County's risk exposure is not as bad as some comparable plans that are not quite as conservative as ours.

Mercer is in the process of looking into our direct and indirect exposure in the area of securities lending. Mercer's current inability to provide the Board with more information, is due to managers not getting back to them with information.

**4. Topic: Mercer: Infrastructure**

A handout was provided to the Investment Committee Members, entitled "Infrastructure Overview".

Characteristics of infrastructure are hard assets, providing essential services, little competition and high barriers to entry. Infrastructure can be social or economic. Social translates into schools, hospitals and prisons. Economic translates into transportation and utilities.

Listed funds, invests in a portfolio of infrastructure companies. Unlisted funds, invests in projects. There remains an Open-end and Close-end approach to investments. Infrastructure investments have gained popularity due to budget constraints, need for U.S. infrastructure, predictable cash flow and good inflation hedge.

A total of \$66 billion has been spent in North America since 2002. The majority of the investment relates to the utility sector. It is estimated that the U.S. has an infrastructure need of \$1.6 trillion. Risks to investors includes limited prime deals, most deals are closed-end funds, questionable exit strategies, high fees and no good benchmark.

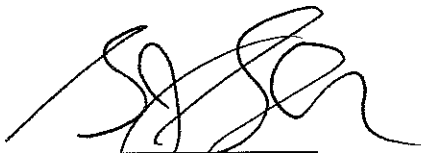
Mercer believes that infrastructure is a viable investment for pension funds. These investments are not risk free and may default.

**5. Topic: Future Educational Topics**

The next series of educational topics will be:

- ETF's
- Fund to Funds
- Risk Management
- Portable Alpha

**6. Adjournment: The Investment Committee adjourned at 2:40 pm.**



Gerald J. Schroeder  
ERS Manager